



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO. 1044

DATE: August 24, 2011

TO: Iowa Medicaid Hospitals, Physicians, Dentists, Podiatrists, Optometrists, Opticians, Pharmacies, Home Health Agencies, Independent Lab, Ambulance, Medical Supply Dealers, Clinics, Rural Health Clinics, Chiropractors, Audiologists, Skilled Nursing Facilities, Rehab Agencies, Intermediate Care Facilities, Community Mental Health Centers, Mental Hospitals, Community Based ICF/MR, Psychologists, Hearing Aid Dealers, Orthopedic Shoe Dealers, Ambulatory Surgical Center, Certified Registered Nurse Anesthetists, Hospice, Clinical Social Workers, Federal Qualified Health Centers, Nursing Facility-Mental ILL and Advance Registered Nurse Practitioner Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: **Medicare** Annual Wellness Visit and the Medicaid Preventative Exam

EFFECTIVE: Immediately

Informational Letter 977 indicated that the IME was adjusting Medicaid claims payment programming to reflect recent changes to **Medicare** coverage. As a payor of last resort, Medicaid should not pay as primary on a covered service if we understand that responsibility may be with Medicare (or another carrier).

As part of this process, the IME has clarified that in some situations it would be appropriate for a provider to bill both the Annual Wellness Visit (AWV) to Medicare and a preventive examination service to Medicaid. It is only appropriate to bill for both services if all of the necessary components for each of the services was performed and the overlap between these services was not also billed to Medicaid.

There is a distinct overlap between many of the required components of the AWV under Medicare and a preventive examination under Medicaid. As such, Iowa Medicaid considers the AWV to be provided in lieu of a part of the preventive examination service equal to the value of the visit. Providers are expected to reduce their submitted charges for the preventive examination service to an amount that reflects the difference between the provider's customary charge for the preventive examination service and their customary charge for an AWV under Medicare.

In addition, Medicare does allow separate billing of certain preventive services (such as breast/pelvic exam or collection of a Pap smear) that Iowa Medicaid considers to be a component of an evaluation and management service. If Medicare denies these services, it would be appropriate to bill Medicaid for an evaluation and management service and append the SC modifier.

The selection of the evaluation and management code is done by the provider rendering the service and is dependent on the actual services provided. It is not appropriate for providers to assume that the performance of discrete preventive services, such as a breast exam or Pap smear alone, meet the criteria for billing a preventive evaluation/management code. In order to bill a specific evaluation/management code, the provider must have met all required components for that code. If the only service performed was a discrete preventive service, such as breast exam or Pap smear, then it is not appropriate to bill a preventive evaluation/management service code. Those preventive services by themselves would not include the other elements that are required and normally included under the preventive exam code. Where a provider is only rendering discrete preventive elements (e.g., breast exam or Pap smear), it would be more correct to bill the appropriate evaluation and management "office visit" code, versus a preventive evaluation and management code.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, locally 515-256-4609 or by email at imeproviderservices@dhs.state.ia.us.